

GOVERNMENT OF INDIA
MINISTRY OF JAL SHAKTI,
DEPARTMENT OF WATER RESOURCES, RIVER DEVELOPMENT & GANGA REJUVENATION
LOK SABHA
UNSTARRED QUESTION NO. 538
ANSWERED ON 04.02.2021

FUNDS FOR POLAVARAM PROJECT

538. SHRI JAYADEV GALLA

Will the Minister of JAL SHAKTI be pleased to state:

- (a) whether the Technical Advisory Committee on Polavaram has approved Rs.55,548.87 crores in February, 2019, after studying in detail the estimates prepared by the Government of Andhra Pradesh and if so, the details thereof;
- (b) whether it is true that the Estimates Revised Committee has brought down the estimates approved by Technical Advisory Committee by more than Rs.7,800 crores;
- (c) if so, the details thereof and the reasons for bringing down the estimates;
- (d) whether there is any reduction in the compensation paid to the affected people;
- (e) if so, the details thereof along with the reasons therefor; and
- (f) the quantum of fund so far paid for Polavaram and the details of dues yet to be paid and the time by which the Government is going to clear the dues?

ANSWER

THE MINISTER OF STATE FOR JAL SHAKTI & SOCIAL JUSTICE AND EMPOWERMENT

(SHRI RATTAN LAL KATARIA)

(a) Advisory Committee of Department of Water Resources, River Development & Ganga Rejuvenation (DoWR, RD & GR) on Irrigation, Flood Control & Multipurpose Projects has accepted Revised Cost Estimate (RCE) of Polavaram Irrigation Project (PIP) at Rs.55,548.87 Crore (Irrigation plus water supply – Rs.50,987.96 crore, and Power-Rs.4,560.91 crore). at 2017-18 price level (PL), in its 141st meeting held on 11th February, 2019.

(b) to (e) In March, 2020, the Revised Cost Committee constituted by the Deptt recommended RCE of the PIP at Rs.47,725.74 crore (Irrigation plus water supply – Rs.43,164.83 crore, and Power-Rs.4,560.91 crore) at 2017-18 PL. The cost difference between two estimates is primarily attributed to reduction in Government/Forest land, change in quantities for Left and Right Main Canals, etc. Further, the cost difference has also arisen due to revision in infrastructure cost from Rs.7.0 lakh to 6.52 lakh per Project Displaced Family (PDF), as the GST on this component has been corrected from earlier 18% to 12%.

(f) Ministry of Finance, Government of India vide its letter dated 30.09.2016 informed that it will provide 100% of the remaining cost of the irrigation component only of the PIP for the period starting from 01.04.2014, to the extent of the cost of the irrigation component on the date. Accordingly, the Government of India has been reimbursing the expenditure incurred by the Govt of AP in the project with effect from 01.04.2014, upon receipt of verified bills and recommendations from the Polavaram Project Authority (PPA) and Central Water Commission (CWC). According to the State Government, after declaration of the Project as National Project, an expenditure of Rs.12,311.32 crore has been incurred by the State on PIP up to 31.12. 2020. Central Assistance of Rs.10,848.36 crore (including Rs.2,234.20 crore in December, 2020) has been released from time to time to the project since April, 2014.
